(c) The ordinance promulgated by the Government of India on 15-10-90 enables the Reserve Bank of India under amendment of section 33(4) of the Reserve Bank of India Act 2, 1934 to revalue the gold holdings which forms part of the foreign exchange reserves at a price not exceeding the international market price.

Decline in Foreign Exchange Reserves

47. SHRI SHIV PRATAP MISHRA: Will fhe Minister of FINANCE be pleased to state:

(a; whether foreign exchange reserves have shown a steep decline during the last few months; if so, what are the reasons therefor; and

(b) what steps have been taken to increase the reserves?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE AND THE DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH): (a) Yes, Sir. There are a number of factors which have contributed towards the decline in reserves during the last few months. These include increase in import prices of POL consequent upon the Gulf crisis, a lull in foreign commercial borrowings owing to the downgrading of India's credit rating and recent trends in the international .'Capital markets; ajnd pcssible reduction in Qur invisible earnings.

(b) "With regard to the decline in foreign exchange reserves the Government has initiated a number of measures to promote exports and curtail inessential imports. Attempts are also being made to augment foreign exchange earnings through invisible earnings and capital inflows including accelerated disbursement of external assistance.

Amount of yearly Budget deficit

48. SHRI PRAMOD MAHAJAN:
SHRI KRISHAN LAL SHARMA;
SHRI SURESH PACHOURI:

Will the Minister of FINANCE be pleased to state:

(a) what is the yearly Budget deficit during the last three years and its estimate for the current year;

(b) whether the additional estimated deficit in the current year and for the next year is due to the Gull crisis; and

(c) what are the measures already adopted and also being planned to meet the situation showing the names of the sources being *so envisaged* and the estimated targets in each case for the current year and the next year?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE AND THE DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH): (a) The overall budgetary deficit of the Central Government in 1990-91 (BE) and in the preceding 3 years are given below:—

(Rs. in crores)

1987-88	5816
1988-89	5642
1989-90 (Provisional)	10625
1990-91 (BE)	7206

(b) The Budget deficit in the Revised estimates 1990-4)1 'wi}1 be , finalised in due course and shown in the Budget documents for 1991-92.

tc) In view of the post-Budget developments, Government has already taken several measures to contain the budgetary deficit. Of these, mention may be made of the measures to en-